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SUBJECT: BELARUS: HIGHLIGHTS OF LUKASHENKA'S ANNUAL ADDRESS

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Introduction and Apology to Readers

11. (SBU) The following message is based on lightly edited press reports of Belarusian President Lukashenka's annual address to the parliament and the Belarusian people. The event was marked by long passages when Lukashenka departed from his prepared remarks and spoke rather more directly, in some cases contradicting himself. With apologies for the length of this message, it reflects key points distilled from over two hours of remarks. If post had more staff and other communication methods, there would be innumerable comments; we invite those readers with patience and extra knowledge to draw their own conclusions. (Comment: One independent author here has made a career of compiling Lukashenka's more quotable quotes and publishing them. One suspects a new volume is due soon. End comment.)

Relations with the EU, Eastern Partnership Summit

12. (U) "The improvement of relations with the European Union is extremely important to Belarus," Alyaksandr Lukashenka said in his annual address to the nation and the National Assembly April

123. "The tone of our dialogue with Brussels and other European capitals is undergoing quality changes," the Belarusian leader said. "And when I say 'dialogue,' I mean it. We have never recognized other forms of contacts unless they are based on the principles of equality and mutual understanding." "Our relations with Europe cannot be described as simple today," he went to say. "It is not we who have made them such. And not we alone should mend them. It is a bilateral process." "Belarus shows readiness to establish pragmatic cooperation in all areas that are of interest to our European colleagues, but we will not stoop or debase ourselves," he said. "We do not make it a secret that the significant improvement of relations with the European Union is extremely important to us. The EU remains to be a major consumer of Belarusian exports. And Europe, for its turn, has new technologies and a huge intellectual potential, everything what is needed to assist the economic modernization of the country. Besides, the European Union is our neighbor with which we have the longest shared border."

13. (U) Alyaksandr Lukashenka said that he was ready not to travel to Prague for a May 7 summit if his presence could "cause inconvenience to someone." Earlier this month, the Belarusian leader was formally invited to attend the summit at which the European Union plans to launch the Eastern Partnership program. Speaking about the European Union's qualms about inviting him to the summit, Lukashenka noted that "if someone, at least one person in Prague on May 7 is inconvenienced much by the fact that there are Belarusian representatives there, don't invite us. We will not be asking to come, we will put up with it, if this causes inconvenience or is disadvantageous to you. Do what you find convenient. If it is convenient to you that we should

be there, but not Lukashenka, you also tell me," he said. Lukashenka indirectly criticized Czech President Vaclav Klaus, who said last week that he would not shake hands with the Belarusian leader during the summit. "Do I really want you to shake hands with me? There should not be rudeness, it does not benefit relations between countries," he said. Lukashenka noted that Minsk had agreed to participate in the Eastern Partnership program "because this is beneficial to Belarus and the Belarusian people." "This is not for the sake of Lukashenka. This is for the sake of what is beneficial to Belarus and I will tolerate everything despite my ambitious or whatever character. This is the main priority for me," he said, adding that the GOB "will not be bargaining on the subject."

14. (U) According to Lukashenka, Minsk and Brussels are yet to determine the format of participation in the European Union's Eastern Partnership that would be optimal for Belarus. The EU's Eastern Partnership initiative was very timely, the Belarusian leader noted. "Its implementation may make cooperation between Belarus and EU better defined and bring it to a qualitatively new level in the future," he said. At the same time, Lukashenka pointed out that in the event of its participation in the Eastern Partnership program, Belarus would be guided by the principle that this participation should not be to the detriment of its "sovereign foreign-policy interests." Lukashenka pointed out that the GOB's increased effort to improve relations with the European Union on a bilateral and a multilateral basis is a serious long-term policy, not a temporary measure.

Economic Crisis

15. (U) Lukashenka asserted that Belarus became the last country to be affected by the global economic crisis and should become the first one to emerge from it. "Belarus is ready to provide an adequate response to challenges of the time," he noted. Lukashenka spoke against job cuts amid the crisis. "The people

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must understand: if we are going this way, one must come to work and work from morning till night, maybe without sleeping or eating for days. We must preserve the industry all together," he said.

Lukashenka claimed that some people in the country viewed Belarus "as a social support institute" where "one can go or not go to work at will." "That won't be the case. I have given orders to all leaders on the ground, the government to clamp down on such sentiments in the most severe way," he said. The Belarusian leader called for more cost-saving efforts, describing them as "not only the essential principle of doing business but also the most important requirement of the country's national security."

He stressed that Belarus lagged far behind the most developed countries in terms of energy intensity.

16. (U) Lukashenka reiterated his defense of the sharp devaluation of the Belarusian ruble at the beginning of the year, saying that the government had to do it following the devaluation of the currency of the country's trading countries. The devaluation was yet even sharper in Russia and other neighboring countries, he said. "Those who understand what devaluation means and how its levels and rates in Belarus could be compared with those in neighboring countries that trade with us, they will understand that it was only half a step on the part of the leadership of our country," he said. "It was an unpopular measure. But we seem to have survived it without serious consequences compared with our neighbors, which have devaluated their money yet sharper," he said. "The devaluation helps, above all, domestic producers remain afloat." "There are economic laws that are not shaped by Lukashenka or the GOB," he went on to say. "They are objective reality, whatever we might wish. And if we ignore these economic laws and delay decision-making, it will be disastrously more painful or, perhaps, no longer possible tomorrow." Lukashenka stressed that there was no reason to "panic." He warned people against buying up goods, converting their Belarusian-ruble wages to foreign

cash or withdrawing bank deposits. "I was speaking about this at the beginning of the year," he said. "Those who have not paid heed to my warning say today that they regret that they have not done it."

¶17. (U) Lukashenka said that there will be no economic collapse in Belarus. The Belarusian leader stressed that the government would stick to its policy of creating a "socially orientated market economy" and "building a social, prosperous state." He warned that all economic development targets "from gross domestic product to the level of pay to the number of square meters of completed housing" would not be revised despite the global economic crisis. "Failure to keep the pace, unbalancing the foothold that we have gained will be a crime against ourselves and our children," he noted. Lukashenka warned enterprises against relying on state assistance too much and said that aid would be offered only to the companies that work hard to boost their domestic and foreign sales. He expressed certainty that the GOB would cope with the impact of the global crisis. "We have time-tested tools of the government's efficient work," he stressed. The downturn will be followed by a new period of economic growth sooner or later and those countries that were quick to adjust to the new conditions will come out on top, Lukashenka said. "Belarus should be among them," he added.

¶18. (U) Lukashenka warned against "mass dismissals," saying that no circumstance would excuse that practice. Giving people jobs remains a priority; "Perhaps, the measure could even harm the current economic efficiency to some extent, but the measure is well-grounded, he said. The personnel potential that is the most important resource for the country will be preserved," he said. At the same time, Lukashenka stressed that his warning did not mean that he wanted companies to be turned into "social shelters where absolutely everybody could be allowed out of pity to stay ." "The state owes able-bodied person only one thing -- the creation of conditions that could enable them to show a worthwhile initiative and earn money, but the state is not obliged to give pay for nothing," he said. As for vulnerable groups, Lukashenka said that government would continue to support them, increasing their income and providing "targeted assistance" to everyone in need of it. Every measure will be taken to prevent a fall in pension payments, he pledged. The support will continue to focus on efforts to boost birth rates, protect children from negligent parents and prevent domestic violence, Lukashenka said.

¶19. (U) Loans given by Russia, Venezuela and the International Monetary Fund have been of key importance for the strengthening of Belarus' economic security, he said. "They are a kind of an assurance factor against unforeseen circumstances," he said. "Many people, especially in the West, regarded the very fact of our cooperation with the International Monetary Fund as a positive thing that confirms Belarus' reliability and the adequacy of economic policy pursued in the country to external and internal conditions," he said. Lukashenka emphasized the

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need to efficiently use the borrowed funds to ensure that they are "not eaten away." He said that they should be spent on modernization projects in the manufacturing industry and the establishment of joint companies.

¶10. (U) Lukashenka called for "big-name brands" to be produced in Belarus. He said that they should be produced in the country "by Belarusians and for the Belarusians." "It should be done not only for domestic consumption but also for supplies abroad," the Belarusian leader said. "We know how it has been done in China and we should use the experience." Lukashenka said that foreign investors could expect tax exemptions to apply to them for a minimum period of three years. "One should not expect investors to come en masse here," he said. "We should meet specific investors and talk to them, offer attractive conditions and guarantee, on behalf of the president, the most favorable treatment." "Flows of foreign investment are extremely helpful," he said. "They mean employment, budget revenues, the development of import substitution programs and the development

of the competitive environment," he said.

¶11. (U) Lukashenka also called for the export of Belarusian products to new markets to be a priority. The Council of Ministers should become "one [large] trade ministry," the Belarusian leader said. "Priority number one for all enterprises in the country is to sell their goods. They should offer really competitive products at moderate prices." "It's necessary to employ all available mechanisms of exporting goods," Lukashenka said. "They [the mechanisms] include export lending, international leasing and insurance. We should make the most of the distribution networks and establish service centers." The "penetrating power" of Belarusian exports in the European Union's markets should also be increased, Lukashenka said. He suggested that Belarus should step up cooperation with its key partners such as China, Iran, India and the United Arab Emirates, cooperate more actively with Egypt, Syria, Algeria and South Africa, and "work more seriously" with Japan and Persian Gulf countries. "Our exporters should learn new ways of working with existing and potential customers," Lukashenka said. "I would say that they should be aggressive, like Western manufacturers." To minimize the impact of the current economic crisis, it is also necessary to adjust prices in a skillful and timely fashion, Lukashenka said. "It is a crime to operate at a loss because there would be no money tomorrow to manufacture new goods," he noted. The same applies to stockpiling finished products, he added.

Foreign Policy

¶12. (U) Lukashenka said that Belarus should act as a bridge connecting the East and the West. An active and balanced foreign policy that vigorously defends and advances national interests is becoming especially important, Lukashenka said. "We've never listened and never will listen to those who keep telling us that the dilemma of choosing between the East and Russia on the one hand and the West and Europe on the other is inevitable" Mr. Lukashenka said. "Our goal is to be a bridge that connects the East and the West." It is beneficial to avoid zigzags in foreign policy, especially amid the current economic crisis, Lukashenka said. "While preserving its strategic partnership with the Russian Federation, Belarus is smoothing its relations with the European Union," he noted. "Our work in other regions of the planet is becoming even more fruitful. This means that the main principle of Belarus' foreign policy, its multi-vector nature, is becoming a reality." In recent years, Belarus has established itself as a "respectable, consistent and predictable partner," breaking the "negative stereotypes" that have existed in some countries until very recently, Lukashenka said. A vast majority of UN member states have come out in support of Belarus' proposals to prohibit the manufacture of new types of weapons of mass destruction and create a mechanism under the aegis of the United Nations that would make modern energy technologies available to all states, Lukashenka noted. The measures proposed by Belarus to combat trafficking in human beings have also been met with general approval, he added.

¶13. (U) Lukashenka asserted that there is an understanding that the invitation of Belarus into partnership with Europe should not be to the detriment of Russia and other countries on good terms with Minsk. "We go where we're welcome," the Belarusian leader said. "How can we ignore Europe if the EU accounts for almost half of our trade? Nor can we abandon Russia, which is historically our country [sic]." Lukashenka denied that "a new team" was influencing his foreign-policy decisions. "I'm still able to shape domestic and foreign policies," he said. "I'm still able to deliver on what I've said for many years about our multi-vector foreign policy." There is no denying that "there was a certain lean towards the East, Russia, China and India at the beginning," Lukashenka said. "That was justified and we had no other choice after the collapse of the Soviet Union. We said

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for a long time that you should be friendly to your neighbors,

but we were not heard. We've finally been heard and the West has understood that the policy of stifling, crushing and isolating has failed." If the West had a proper attitude toward Belarus, it would understand the country better and the Belarusians would be even wealthier and more understandable to the West, Lukashenka said. "New politicians who have come to power in the West have realized that this is not the way to treat Belarus," he added.

¶14. (U) Lukashenka praised the current foreign diplomatic corps in Minsk. "Most of the current diplomatic corps have a very deep understanding of the problems that we are solving," the Belarusian leader said. "It is above all thanks to them that some positive trends have taken shape in our relations with the West." According to Lukashenka, he plans to resume his one-on-one meetings with foreign diplomats and the first ambassador he is going to meet is Aleksandr Surikov of Russia. "I said to Aleksandr Aleksandrovich: 'Be ready. We'll have meetings and openly discuss issues that exist, even uneasy ones, in a face-to-face setting.'" "We'll start this intercourse with the ambassador of the Russian Federation very soon," Lukashenka added.

¶15. (U) Lukashenka called for the normalization of Belarus-U.S. relations. "I have repeatedly noted the importance of relations with the United States of America," the Belarusian leader said in his two-hour speech. "Our countries possess experience of economic, investment, and humanitarian cooperation. I hope the new U.S. administration realizes that it is hopeless to talk to Belarus from a position of strength and to use the language of sanctions." "We have always expressed our interest in the normalization of political relations with the USA and consider it mutually beneficial to reach the full restoration of the level of trade and economic cooperation that had been close to one billion dollars before the sanctions were imposed," Lukashenka said.

¶16. (U) Lukashenka stated that his forthcoming meeting with the Pope serves as recognition by the Vatican of the GOB's religious policy. The head of state pointed out that he had once promised to make Belarus an "exemplary country" regarding the living conditions of people of different faiths. "We declared that and we have done that," the Belarusian leader said. According to him, there were many problems in the relationship between the Roman Catholic Church and the Russian Orthodox Church in Belarus, and between the state and churches, above all the Roman Catholic Church, but all the problems have now been solved. "Perhaps, my visit to the pontiff comes from the fact that the top hierarchy of the Catholic Church extremely highly appreciates the policy that we follow, including our policy with regard to the Catholics," Lukashenka said. According to him, the top clergy of the Russian Orthodox Church also "extremely highly appreciates" the GOB's religious policy. The Belarusian leader is expected to meet with Pope Benedict XVI in the Vatican April 27.

¶17. (U) Belarus can make Iskander SS-26 tactical missile systems on its own and buy missiles if necessary, Alyaksandr Lukashenka said. "When our relations with the West were strained, all government officials in Russia called for normalizing these relations," Lukashenka said. "And now this normalization is on the horizon...however, some media outlets, whose readers probably include Russian leaders, spread another canard yesterday. They question whether weapons such as the Iskander system should be supplied to Belarus if Lukashenka has changed or almost changed the vector of his foreign policy, and who will these Iskanders belong to if the opposition comes to power." "We've never asked the Russians for their Iskanders," Lukashenka said. "We'll buy them like all other countries in the world. But let me say openly that we don't actually have to because we can make them ourselves if necessary, except the missiles, and we'll buy the missiles." The current normalization of Belarus' relations with Europe is not to the detriment of Russia, and the Russians should feel happy about successes of the brotherly nation, Mr. Lukashenka stressed. He expressed gratitude to Ukraine, Baltic countries, Poland and the Czech Republic for "support in Europe." Some voices in Europe threaten to punish Belarus if it recognizes South Ossetia and

Abkhazia as independent countries, Lukashenka said. "But why don't you punish Russia, which has already recognized them?" he said. "Are you applying double standards again?" "Belarus will fulfill everything that it has repeatedly declared, and Russia has nothing to do with this," Lukashenka said. He called on "the East and the West to calm down" and let Belarus pursue a policy that will be in everyone's interests and do no harm to anyone.

Domestic Issues, Human Rights

¶18. (U) Lukashenka warned of a harsh crackdown on corruption, which he said undermines the government's authority. He

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promised that the government would fight corruption "as long as this evil exists in our country." "We will not allow officials at the center and on the ground to undermine the government's authority by their actions and dubious behavior," he warned. There are many "instances of office abuse by all sorts of bad officials and apologies for managers," Lukashenka said. "Their enterprises are head and ears in debt and they still buy cars, do expensive office renovations and host lavish banquets," he noted. The Belarusian leader called for better efforts to cut excessive red tape and more attention to formal complaints and appeals from the public. "A careless attitude, indifference, rudeness in work with people can bring any of our achievements to naught. It is an unacceptable situation where the reception room of some organization turns into an unassailable front entrance that an ordinary person cannot even come close to," he stressed.

¶19. (U) Lukashenka claimed the government would take no more steps to liberalize the political environment in Belarus. "We have more than enough political liberalization, no matter how much I'm criticized for dictatorial methods," the Belarusian leader said. "Some charlatans, renegades and thugs have interpreted liberalization as follows: Do what you please, walk around streets if you please and overturn cars if you please," he said. "Some media outlets thought that liberalization meant a return to what we began with in the mid-1990s: just yellow journalism and nothing else. Even some diplomats and other people who come to us say, 'You have announced liberalization, haven't you?' But liberalization should not lead to chaos and the destabilization of the economy." Lukashenka stressed that opposition politicians would have no chance if they came out against a "normal" life for people in Belarus. "How will the opposition look if we publish the letter that they have recently sent to Prague, in which they suggest blocking Belarus from the Eastern Partnership, keeping Lukashenka out of there, and so on?" he said. Lukashenka noted that not all opposition leaders had signed the letter. "One politician, [Alyaksandr] Milinkevich, did not sign that letter," Lukashenka noted. "He said, 'How can I sign it if that would ruin the country? What would we do then?' There would be no more need for the opposition then.'" "The so-called pro-democratic forces are beginning to play against the state and society" and hope to destroy the foundations of the Belarusian state, exploiting economic hardships caused by the global crisis, Lukashenka said. "How can one like those who tirelessly call for bringing down every kind of trouble on the heads of the Belarusians, demanding economic sanctions or isolation from the West?...I personally have no good words for them." According to Lukashenka, some opposition groups hope to quietly create conditions for changing the existing political system in Belarus through the nation's involvement in European processes. "Some say openly [they need it] for overthrowing Lukashenka," he noted. "I won't rely on the teachings of Vladimir Ilyich Lenin, [although] I respect very much that man and I once studied him very well, but we all remember and know his saying, 'Any government is only worth something if it can defend itself and can defend its people.' No one has managed to disprove this holy rule." That is why "a creeping counter-revolution won't be allowed in our country," Lukashenka said. "You must remember how various sorts of 'color revolutions' got hit in the mug here. They couldn't even make a peep. Not because we are dictators or savages, but because we

pursue a policy in the interests of our people. And if anyone hopes to turn upside-down and overthrow something here by hook or by crook, this won't be a success. It isn't even worth trying."

¶20. (U) Lukashenka called on the National Assembly to be in "vanguard" of systemic change in Belarus. The newly elected legislature "got off to a good start and has showed a businesslike and constructive attitude from the first days of its work...I'm very pleased with the work of the parliament and glad that our people cast their ballots the way they did. I'm sure that the current parliament will not only be socially active but also capable of efficiently working as one team with the other branches of power." According to Lukashenka, he expects the National Assembly to show initiative. "You will have not only to build on your predecessors' achievements but also to bring lawmaking to a new level and pass new-generation laws," the Belarusian leader said. "Gone are the days when legislators could merely discuss the bills they received," Lukashenka said. "In the current situation, they should find solutions to existing problems on their own." Legislative work is incompatible with "politicking, lobbying to promote selfish interests and parochialism," Lukashenka said. Both parliamentary chambers should work in close cooperation with the local authorities, he stressed. "Legislative work should not be abstracted from reality and people's problems and expectations," Lukashenka said. "What the country needs is stimulating and constructive legislation that works in daily life and not declarative laws." There should be enough financial, technical and human resources to enforce new laws, Lukashenka said.

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¶21. (U) Lukashenka: Government and businesspeople should be one team. "The dynamic development of the country is only possible today through a reasonable combination of efforts from small, medium-sized and large businesses on the one hand and the state on the other," the Belarusian leader said. Although the government owns tens of thousands of properties that are either unfinished or have long been unused, Belarusian companies have difficulty finding room for their production facilities, he said. According to him, no noticeable progress has been made despite measures to solve this problem. The procedure of alienation remains long and complex, he said. It takes months for local officials to consider investors' applications, Lukashenka noted. "Why are we clinging to what we don't need?" he said. "The snag is that ministers and heads of executive committees are slow."

¶22. (U) Lukashenka called for the development of rural tourism, which he noted does not entail high costs. It is worth developing the industry "immediately...one should not be engaged solely in ambitious projects such as the all-round renovation of the Auhustouski Channel, although it should be done as well," he said. It is necessary to exploit Belarus' "nature wealth," he stressed. "The natural beauty in the center of Europe such as the Narach, Sozh, Dnyeper, Braslau Lakes, Belovezhskaya and Nalibokskaya Pushchas cannot but attract tourists." Lukashenka noted a small number of hotels, camping sites and road services in Belarus. "People in Belarus do not take the trouble to earn money. Sometimes, they do not even want to pick it up from the ground." He said that private entrepreneurship should be given a green light, once there was a lack of budgetary funds. "And no special directives from Minsk are needed," he said. "The regional and district authorities are able to do everything on their own and they should do it." He emphasized the need to improve the "organizational and legal environment" for transit shipments, suggesting improving transport infrastructure and developing competitive logistics centers. In addition, he said, border and customs officials should be "taught to treat people crossing our border as the dearest guests."

MOORE